

# ‘Operations – Fiscal Management General Investment Policy’ Board Policy (4.1.9)



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There is a standard of care that is imposed on the directors and officers of a charity which affects the actions and activities of individuals who govern the affairs of the charity. The standard of care also addresses the extent to which the directors of a charity may delegate their responsibilities. One area of delegation involves the investment of a charity’s funds. The Trustee Act (the “Act”) of Ontario addresses the requirements for the board of directors of a charity to have an investment policy and a monitoring system to oversee the implementation of such a policy.

This investment policy sets out guidelines for the Board of Directors (the “Board”) and management to:

1. identify dollars available for investment,
2. determine the appropriate investment types and duration,
3. generally assist the board in meeting its fiduciary duty with respect to making informed investment decisions.

The Act includes a list of seven mandatory criteria that the board of a charity must consider when making investment decisions. These seven criteria are as follows:

- General economic conditions;
- The possible effect of inflation or deflation;
- The expected tax consequences of investment decisions or strategies;
- The role that each investment or course of action plays within the overall investment portfolio;
- The expected total return from income and the appreciation of capital;
- The need for liquidity, regularity of income and preservation or appreciation of capital; and
- An asset’s special relationship or special value to the purposes of the trust or one or more of the beneficiaries.

***This policy incorporates these criteria and also addresses non-financial concerns. It is intended to be consistent with all federal and provincial legislation and the best practices and ethical standards including, but not limited to, Imagine Canada, Canadian Council of Christian Charities, Canadian Council for International Co-operation, the Association of Fundraising Professionals & the Canadian Association of Gift Planners.***

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## **Investment Considerations**

World Vision Canada has general reserves consisting generally of working capital requirements and donations received but not yet disbursed to ultimate beneficiaries (the “Fund”).

## **Investment Objectives**

The Fund is managed to:

- maintain capital
- provide liquidity for operating and program cash flow requirements
- invest in competitively selected investments
- be in compliance with all legal and regulatory requirements

## **Investment Term**

To support the overall objective of the Fund, investments will be made for up to 2 years.

## **Types of Investments**

The appropriateness of the investment instrument chosen for particular funds available is dependent on the investment term, market conditions and inflation outlook.

Business areas in which entities make a significant portion of their revenue from activities related to tobacco, weapons, gambling, pornography and exploitative credit are designated as ‘excluded sectors’. Any funds with significant exposure to such excluded sectors are ineligible as a permitted investment (“Excluded Funds”). For purposes of this Policy, significant means 5% or more, of the revenue.

Cash - funds may be held in the form of cash and deposits at a Schedule I, II or III Bank in Canada.

Short term investments – funds may be held in Money Market funds, obligations of banks, Treasury Bills, debt instruments of Federal or Provincial governments or their agencies, Commercial Paper. All investments shall be rated A-1 (S&P) or P-1 (Moody’s) or higher.

## **Investment Limits**

### **Cash:**

- there is no limit for the funds with a Schedule I Bank in Canada.

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- limit of \$5 million dollars for funds with a Schedule II or III Bank in Canada

## **Short term investments:**

- there is no limit for funds invested in authorized types.